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Analysis of the
**HUNTSVILLE, ALABAMA
HOUSING MARKET**

as of February 1, 1966

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410
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A Report by the
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION
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AS OF FEBRUARY 1, 1966

Field Market Analysis Service
Federal Housing Administration
Department of Housing and Urban Development

Foreword

As a public service to assist local housing activities through clearer understanding of local housing market conditions, FHA initiated publication of its comprehensive housing market analyses early in 1965. While each report is designed specifically for FHA use in administering its mortgage insurance operations, it is expected that the factual information and the findings and conclusions of these reports will be generally useful also to builders, mortgagees, and others concerned with local housing problems and to others having an interest in local economic conditions and trends.

Since market analysis is not an exact science, the judgmental factor is important in the development of findings and conclusions. There will be differences of opinion, of course, in the interpretation of available factual information in determining the absorptive capacity of the market and the requirements for maintenance of a reasonable balance in demand-supply relationships.

The factual framework for each analysis is developed as thoroughly as possible on the basis of information available from both local and national sources. Unless specifically identified by source reference, all estimates and judgments in the analysis are those of the authoring analyst and the FHA Market Analysis and Research Section.

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ANALYSIS OF THE
HUNTSVILLE, ALABAMA, HOUSING MARKET
AS OF FEBRUARY 1, 1966

Summary and Conclusions

1. Redstone Arsenal, which houses the U. S. Army Missile Command and the George C. Marshall Space Flight Center of the National Aeronautics and Space Administration (NASA), dominates the economy of the Huntsville, Alabama, Housing Market Area (HMA). At the present time, there are about 38,250 civilians working in support of the activities at the arsenal, a total that accounts for more than one-half of all nonagricultural wage and salary employment in the area.

Nonagricultural wage and salary employment in the HMA increased by an average of 6,600 annually between March 1960 and March 1965. Between December 1964 and December 1965 the increase was 5,200, most of which occurred in the first three months of 1965.

Based primarily on the assumption that there will be no new program starts or extensions of existing programs at the arsenal, nonagricultural wage and salary employment is expected to increase by an average of only 3,000 annually over the next two years. Additional program starts or extensions at Redstone in the next two years could materially increase the prospective employment, population, and household growth now anticipated.

2. The estimated median annual income in the HMA, after deduction of Federal income tax, is \$7,625 for all nonfarm families and \$5,000 for all nonfarm renter households of two-or-more persons.
3. As of February 1, 1966, the nonfarm population of the Huntsville area is about 173,000. Military-connected civilian workers (including NASA) and their families comprise about 59 percent of the current population, and increases in their numbers have accounted for 81 percent of the nonfarm population gain since April 1960. By February 1, 1968, the nonfarm population is expected to reach 185,500, a gain of 12,500 (6,250 annually) above the current estimate.

4. There are about 47,000 nonfarm households (occupied dwelling units) in the Huntsville HMA at the present time. Based on the projected level of population gain in response to increases in employment, nonfarm households in the HMA are expected to number 50,500 by February 1, 1968, an increase of 3,500 over the current total.
5. There are about 50,700 nonfarm housing units in the HMA at the present time, a net addition to the housing inventory of 20,550 units, or 3,525 annually since April 1960.
6. Residential construction volume in the HMA, as measured by building permits, totaled over 10,950 units in the 1963-1964 period, an average of 5,475 annually. In 1965, a total of 3,400 units were authorized; less than 1,300 of these were authorized in the last six months of the year. A postal vacancy survey conducted in the HMA in January 1966 reported that there were 430 residences and 420 apartments under construction.
7. Vacancies in both the sales and rental inventories have risen rapidly in the past year. There are currently an estimated 1,200 vacant available sales units in the HMA, representing a homeowner vacancy ratio of 3.7 percent. About 1,400 vacant units are available for rent, a vacancy ratio of 8.0 percent in the rental inventory.
8. The volume of privately-owned net additions to the housing inventory in the HMA that will meet the requirements of projected population growth and at the same time result in a more acceptable demand-supply relationship in the housing market averages 1,500 units annually over the two-year February 1, 1966-February 1, 1968 forecast period, including 1,100 sales units and 400 rental units. The annual rental demand includes about 150 middle-income rental units that may be marketed only at the rents achievable with the aid of below-market-interest-rate financing or assistance in land purchase and cost. The estimate of rental demand does not, however, include demand for public low-rent housing or any type of rent-supplement accommodation. Sales demand by price range is shown on page 25 ; rental demand is shown by monthly gross rent and by size of unit on page 26 .

ANALYSIS OF THE
HUNTSVILLE, ALABAMA, HOUSING MARKET
AS OF FEBRUARY 1, 1966

Housing Market Area

Previous analyses have defined the Huntsville, Alabama, Housing Market Area (HMA) as being coterminous with Madison County, Alabama (see map on page 2). In April 1960 the county had a nonfarm population of 102,500. Because Madison County still is the primary housing market, the earlier definition is retained for purposes of this report, although Limestone County, Alabama, was added to the Standard Metropolitan Statistical Area (SMSA) definition in October 1963.

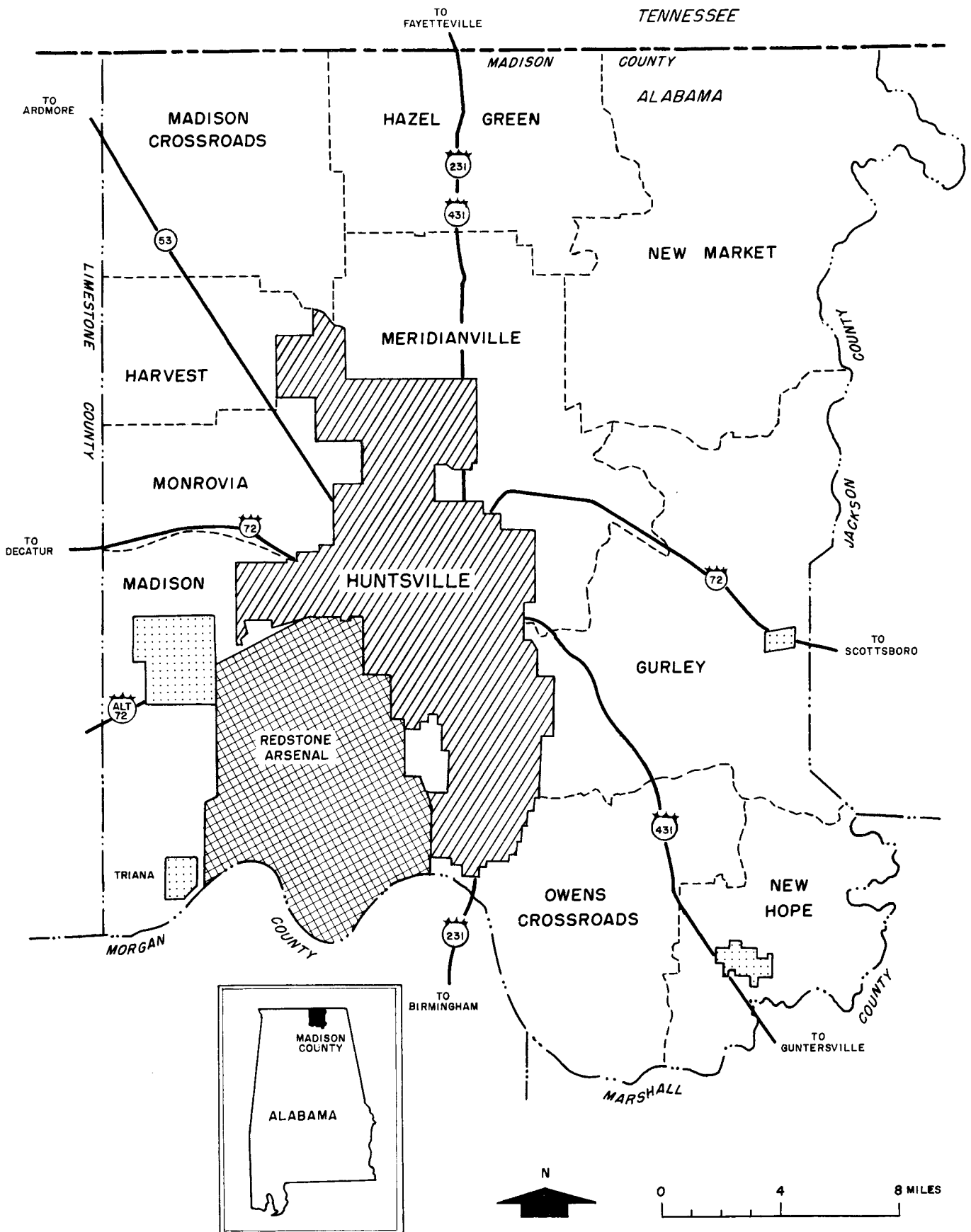
Huntsville has excellent transportation facilities. The HMA is served by United Airlines, Eastern Airlines, and Southern Airlines. Daily non-stop flights are available to most major southeastern cities. A new airport, which will be in use in 1966, will be able to accommodate jet aircraft. The Huntsville area also is served by the Louisville and Nashville Railroad and the Southern Railroad. Continental Trailways provides interstate and intrastate bus transportation, while a local bus system serves the city of Huntsville. State Route 231 connects Huntsville with Nashville, Tennessee, 110 miles to the north, and Birmingham, Alabama, 100 miles to the south. State Route 72 leads to Chattanooga, Tennessee, 105 miles northeast of Huntsville, and to Memphis, Tennessee, which is about 205 miles west northwest.

The 1960 census reported that there were 6,950 workers commuting into Madison County from nearby areas. Almost 6,125 of these workers (88 percent) resided in the contiguous Alabama counties of Limestone, Marshall, Morgan, and Jackson. The other in-commuters resided in Franklin and Lincoln Counties, Tennessee. Incommutation is believed to have increased.

Redstone Arsenal has a significant impact on the Huntsville economy. Therefore, whenever possible, data on the military and civilian segments of the population are shown separately. As used in this analysis, particularly in the "Demographic Factors" section, the term "military" is defined as including uniformed military personnel and their dependents. "Military-connected civilians" includes those civilians working at Redstone Arsenal or at one of the firms doing contractor and sub-contractor work for either the Army or the National Aeronautics and Space Administration (NASA). The term "nonmilitary-connected civilians" includes all other civilians in the HMA not directly connected with the arsenal.

Since the rural farm population constituted almost 13 percent of the population of the HMA in 1960, all demographic and housing data used in this analysis exclude the rural farm component, except where specifically noted.

MADISON COUNTY, ALABAMA, CENSUS DIVISIONS



Economy of the Area

Character and Recent History

The establishment of Redstone Arsenal (formerly known as Huntsville Arsenal) as a center for the research and development of rocket and missile systems drastically changed the previously agriculturally-oriented Huntsville economy. Just prior to World War II, the Army Chemical Warfare Service built a \$70 million installation at Huntsville to manufacture chemical artillery shells. A few months later, the Army Ordnance Corps began a \$20 million installation known as Redstone Arsenal for the purpose of assembling explosives for the chemical shells and producing finished munitions. During the war, about 20,000 workers were employed at the two arsenals.

Activities at both installations were curtailed at the end of World War II, and by 1947 only 250 workers, mostly caretakers, guards, and firemen, were employed. In October 1948, Redstone was designated the center for research and development activities for Army rockets and guided missiles. In January 1949, the Army Chemical Corps deactivated Huntsville Arsenal and turned the land and facilities over to Redstone Arsenal. A buildup of technical and professional personnel began in 1949 and, in April 1950, Army Ordnance moved its rocket development team from Fort Bliss, Texas, to Huntsville.

Military space-related activities at the arsenal grew rapidly during the 1950's. In July 1960, the George C. Marshall Space Flight Center of the National Aeronautics and Space Administration was established and the Army transferred 5,000 workers and more than \$100 million in equipment and facilities to the new agency. As a result, the complete Army missile development and training program and the space vehicle center for NASA were firmly established in Huntsville.

Since the early 1960's, Federal civil service employment and the civilian contractor staff associated with Redstone Arsenal have increased rapidly. Currently, there are 38,250 civilians employed at the arsenal or at one of the many firms in the area doing contractor work for Army and NASA. The current total accounts for nearly 54 percent of all nonagricultural wage and salary employment in the HMA.

Employment

Current Estimate. As of December 1965, the latest month for which data were available, the Alabama State Employment Service reported that there were 71,300 nonagricultural wage and salary workers in the Huntsville HMA (see table I). The December 1965 total represents an increase of 5,200 (eight percent) since December 1964.

Past Trend. As shown in table II, nonagricultural wage and salary employment in the HMA, based on March data, has risen rapidly since the NASA facilities were established at Redstone Arsenal in 1960. The total rose from 36,000 in March 1960 to 69,000 in March 1965, an increase of 33,000 (92 percent) or 6,600 annually. The increases in wage and salary employment of 4,900 between March 1960-March 1961 and of 3,100 between 1961-1962 were well below the increases occurring in each of the next three years. Based on March figures, these gains amounted to 8,300 between 1962-1963 and 7,800 between 1963-1964. An even greater increase (8,900) occurred in the following year.

Manufacturing employment in the Huntsville HMA rose by 7,100 between March 1960 and March 1965, accounting for 22 percent of the total increase in wage and salary employment during the five-year period. Increases averaged 700 a year in the 1960-1962 period, but increased to 2,600 between 1964 and 1965. By December 1965, the level of manufacturing employment in the HMA reached 13,200.

Employment increases in the various nonmanufacturing industries accounted for 78 percent of the total increase in wage and salary employment between March 1960 and March 1965. As in the manufacturing sector of the economy, annual gains in nonmanufacturing employment were somewhat higher during the March 1962-March 1965 period than between March 1960 and March 1962. The proportion of total nonagricultural wage and salary employment accounted for by nonmanufacturing employment declined slightly during the five-year period, however, from 86 percent in 1960 to 83 percent in 1965. The level of nonmanufacturing employment in the HMA reached 58,100 by December 1965, a gain of 3,300 over the December 1964 total of 54,800.

Employment by Industry. Those industries affiliated with Redstone Arsenal accounted for most of the increase in nonagricultural wage and salary employment during the five-year March 1960 to March 1965 period (see table II). Employment in the ordnance industry increased from only 700 in 1960 to 5,900 in 1965. Government employment rose by 6,800, from 17,000 in 1960 to 23,800 in 1965. Employment in service trades increased from 5,100 in March 1960 to 16,100 in March 1965. A portion of the 11,000 increase in services reflects increased employment by contractors and subcontractors of the Army and NASA who are classified as service industries by the Bureau of Employment Security. The only other industries in the Huntsville HMA that showed an increase in employment of as much as 1,000 between 1960 and 1965 were trade (4,300); construction (1,800); finance, insurance, and real estate (1,100); and the machinery industry (1,000). In most other industries in the HMA, including all those in the relatively small nondurable goods manufacturing segment of the economy, employment gains were less significant.

Redstone Arsenal

Impact of the Arsenal. The presence of Redstone Arsenal in the Huntsville HMA has, of course, a significant impact on the local economy. Over one-half of all nonagricultural wage and salary workers in the area are employed at the arsenal or in support of its various functions. At the present time there are 1,900 military and 29,000 military-connected civilian households in the HMA, about 66 percent of the nonfarm total. The total military population, including civilian dependents, is 10,000 currently, and the military-connected civilian total is 102,500. Army and NASA activities and personnel strength are discussed in more detail in the following two sections.

Army Activities. The U. S. Army Missile Command (AMC), which is a major continental command of the U. S. Army Materiel Command, directs world-wide Army missile activities from its headquarters at the arsenal. The Missile Command has the responsibility for managing the Army missile and rocket programs, including development and production, as well as support for missile units in the field. The primary tasks of AMC are management and controlling the efforts of private industry in the development and production of missiles.

Redstone Arsenal also is the home of the U. S. Army Ordnance Guided Missile School, which is the only Army school devoted exclusively to missile maintenance training. Currently, about 600 instructors conduct training for the more than 6,000 men who come to the Missile School annually from all branches of the U. S. Armed Forces and 16 foreign nations.

Another Army function at Redstone, the Nike Zeus Project Office, has a combined military and civilian staff of over 300 persons who direct the top priority program of perfecting an effective defense against attack by intercontinental ballistic missiles. The Army Missile Support Command, which is a major element of the Army Missile Command, provides logistical support for AMC, the Guided Missile School, and the Nike Zeus Project Office.

The latest strength figures for the Army indicate a military complement of 4,800 as of February 1966, an increase of 830 since December 1964 (see table III). Substantially all of the increase reflects an increase in enrollment at the Guided Missile School. Most of the changes in military strength at the arsenal in the past several years reflect short-run changes in student enrollment at the school. The number of military personnel assigned to AMC and the Nike Zeus Project Office has declined slightly in recent years.

According to Army sources, there are nearly 16,350 civilians working in support of the military, including 10,050 Federal civil service employees and 6,300 civilians employed by various contractors and sub-contractors. The current total is 250 above that of December 1964, when there were 16,100 civilians working for the Army, but is 400 below the January 1964 level of 16,750. Since 1963, a decline in the overall level of civilian contractor employment has more than offset a moderate increase in Federal civil service employment.

NASA Activities. The George C. Marshall Space Flight Center, the largest installation of the National Aeronautics and Space Administration, was founded at Redstone Arsenal in July 1960 when about 5,000 people and facilities were transferred from the Army to NASA. Its major functions are (1) the development and production of launch vehicles for space exploration, (2) applied research in related fields of astronautics, and (3) advanced system studies for future space transportation concepts. Currently, efforts at the center are concentrated on the many problems involved in a manned lunar landing. The impact of the NASA complex on the Huntsville economy is reflected in the fact that, in fiscal year 1963, the center spent \$1.1 billion, much of it locally. About 90 percent of the total expenditure went to civilian contractors. The rapid expansion of the University of Alabama Research Center and the Industrial Research Park, where many prime contractors of NASA have built new facilities, reflects the substantial development in the Huntsville area directly related to the space activities centered at Redstone Arsenal.

According to NASA sources, there are over 21,900 civilians working in support of NASA operations at the arsenal currently, an increase of almost 3,425 since December 1964 (see table III). While the number of civilian contractor personnel has more than doubled in the past three years, Federal civil service employment has declined slightly.

Principal Employment Sources. Table IV lists 16 firms in the HMA who currently employ more than 200 workers each and who are contractors and sub-contractors of the Army and/or NASA. Employment at these companies more than doubled between January 1, 1963 and January 1, 1966. Most of the increase occurred, of course, because the firms were awarded new contracts and because some current contracts were extended.

There are a few large manufacturing firms in the Huntsville HMA not associated with Redstone Arsenal. This group includes the Huntsville Manufacturing Company, a maker of print cloth, with 1,150 employees, and the Safety First Shoe Company, with over 700 employees. A third large employer is the P. R. Mallory Company. This firm employs about 550 workers in the production of electrolytic capacitors.

Future Employment Prospects

Unlike the rapid increases that occurred between 1960 and the present time, Federal civil service employment and civilian contractor employment in support of the Army and NASA missions are not expected to increase in the next two years. In fact, as shown in table III, a slight decline is expected unless there are new program starts or extensions of some present contracts. On this premise, it is likely that annual increases in nonagricultural employment in the Huntsville HMA over the next two years will be well below the average annual increases that have occurred since 1960. Reportedly, however, some of the firms in the area who are prime contractors and sub-contractors are now diversifying and are doing other types of research and development that are not related to their activities at Redstone Arsenal. Based on already announced plans, employment increases at these firms could average as much as 1,000 to 1,500 a year over the next two years.

Continued moderate employment increases in trade and service establishments are anticipated for 1966 and 1967, and employment in the other small industries in the area which are not dependent on Redstone Arsenal also may increase slightly. Based primarily on the assumption that there will be no new program starts or extensions of existing programs at Redstone Arsenal, increases in nonagricultural wage and salary employment may total as much as 6,000, an average of 3,000 annually, over the next two years. Of course, additional program starts or extensions at Redstone could increase prospective employment materially.

Unemployment

Current Estimate. The Alabama State Employment Service reported that there were 1,400 unemployed persons in the HMA in December 1965, or 1.7 percent of the civilian work force (see table I). The December 1964 level of unemployment was 1,600, representing 2.0 percent of the work force at that time. Although employment gains during 1965 did not equal those in the preceding three years, the level of unemployment in the HMA was not adversely affected because most of the workers entering the local work force are in-migrants who are recruited by local companies from other areas in the country.

Past Trend. Reflecting the rapid increase in the number of job opportunities, unemployment declined from 2,700 in March 1960, about 5.9 percent of the work force, to 1,800 (2.2 percent) in March 1965. Since declining from 2,400 persons (4.6 percent) in 1961 to 1,700 (3.1 percent) in 1962, the level of unemployment has changed very little, but the

unemployment rate has continued to decline because of rapid increases in employment.

Incomes

Family Income. At the present time the estimated median annual income of all nonfarm families in the Huntsville HMA, after deduction of Federal income tax, is \$7,625, and the median after-tax income of all nonfarm renter two-or-more persons is \$5,000 (see table V). It is estimated currently that 23 percent of all nonfarm families and 40 percent of all nonfarm renter households of two-or-more persons have after-tax incomes below \$4,000 annually; however, about 33 percent of all nonfarm families and 15 percent of the nonfarm renter households currently have estimated after-tax incomes over \$10,000 a year. By 1968, annual after-tax income is expected to increase to near \$8,050 for all nonfarm families and to \$5,275 for nonfarm renter households.

Demographic Factors

Population

Current Estimate. The nonfarm population of the Huntsville HMA is approximately 173,000 at the present time. (A special census conducted by the Bureau of the Census counted 173,300 persons in Madison County in September 1964, a total that includes both nonfarm and farm residents). The current estimate reflects an increase of 70,550 (12,100 annually) since April 1960. About 102,500 persons in the HMA at the present time, nearly 59 percent of the nonfarm total, are military-connected civilians and their families^{1/} and an estimated 60,500 (35 percent) are nonmilitary-connected civilians. The other 10,000 persons in the HMA, comprising six percent of the total nonfarm population, are military personnel and their families. Over 81 percent of the April 1960-February 1966 increase was in the military-connected civilian population, a reflection of the increase in civilian contractor personnel and Federal civil service workers at the arsenal.

Over-all population changes in the Huntsville HMA are shown in the following table. Details for the three major components of the population are shown in table VI.

Nonfarm Population Changes
Huntsville, Alabama, Housing Market Area
April 1, 1950-February 1, 1968

<u>Date</u>	<u>Population</u>	<u>Average annual change from preceding date</u>
April 1, 1950	48,733	-
April 1, 1960	102,472	5,374
February 1, 1966	173,000	12,100
February 1, 1968	185,500	6,250

Sources: 1950 and 1960 Censuses of Population.
1966 and 1968 estimated by Housing Market Analyst.

1/ Including employees of NASA and its contractors as well as the army and its contractors.

Past Trend. The total nonfarm population in the HMA rose from 48,750 in April 1950 to 102,500 in April 1960, a gain of 53,750 (110 percent), or 5,375 annually. Although the rate of nonfarm population growth during the decade was relatively high (7.4 percent, compounded, annually), it was below the 1960-1966 annual rate of 8.9 percent, compounded. Because of the change in definition of "farm" between the 1950 and 1960 censuses, however, many persons living in rural areas were classified as living on farms in 1950, but considered to be rural nonfarm residents in 1960. The resultant decline in the farm population and, consequently, the increase in nonfarm population between the two census dates is, to some extent, the result of the change in definition.

Substantially all of the nonfarm population in the HMA in April 1950 consisted of nonmilitary-connected civilians (the number of military and civilian personnel at the arsenal was not significant prior to April 1950). By April 1960, however, there were 45,300 military-connected civilians in the HMA, about 44 percent of the nonfarm population, and 8,550 military persons, eight percent of the total. The remaining 48,600 residents were nonmilitary-connected civilians, a number not significantly different from the total 1950 population.

Estimated Future Population Growth. Based on the annual increase in employment anticipated in the next two years, which is expected to be well below the average annual increase over the 1960-1965 period, the nonfarm population in the HMA is expected to increase by 12,500 persons (6,250 annually) to a level of 185,500 by February 1, 1968. Substantially all of the increase is expected to consist of nonmilitary-connected civilians and their families. Based on the latest data available from Army and NASA, little (if any) population growth will occur in the next two years in either the military or military-connected civilian segments of the population.

Natural Increase and Migration. The following table shows the components of population change (natural increase and net migration) for the total population of Madison County since resident birth and death statistics are not available on a farm-nonfarm basis. Over-all, there was a net natural increase (excess of live births over deaths) of 19,800 during the 1950's, accounting for 45 percent of the total population increase in the county. Net in-migration of 24,650 persons accounted for the balance of the increase. Since 1960, however, in-migration has accounted for a much higher proportion of the increase. Between April 1, 1960 and February 1, 1966, the population in the county increased by 66,650, of which 18,350 (28 percent) was accounted for by net natural increase and 48,300 (72 percent) was the result of in-migration.

Components of Population Change ^{a/}
Madison County, Alabama
April 1, 1950-February 1, 1966

<u>Total population</u>	<u>Population change</u>	<u>Net natural increase</u>	<u>Net migration</u>	<u>Average annual net migration</u>
1950-1960	44,450	19,800	24,650	2,475
1960-1966	66,650	18,350	48,300	8,275

a/ Rounded.

Source: Estimated by Housing Market Analyst, based on data obtained from Bureau of the Census report, Series P-23, No. 7, and Alabama State Department of Health.

Age Distribution. Changes by age groups in the total population of Madison County between April 1950, April 1960, and September 1964 are shown in table VII. During the 1950-1960 decade the largest increment of population growth was in the age group under 10 years of age. The number of persons in this age group increased by 12,450 (74 percent) over the decade. The number of persons in all other age groups also increased between April 1950 and April 1960, of which the increase in the 30-39 age group (7,625, or 76 percent) was the largest.

As in the 1950-1960 period, growth in population between April 1960 and September 1964 was most rapid in the age group of persons under 10 years of age (16,700, or 57 percent). The second largest increase (10,400, or 54 percent) was in the 20-29 age group, an increase that reflects the in-migration of young administrative and technical personnel into the area.

Households

Current Estimate. As of February 1, 1966, there are about 47,000 non-farm households (occupied dwelling units) in the Huntsville HMA, an increase of nearly 19,500 (71 percent), or 3,350 annually, since April 1, 1960 (see table VI). Of the current total, about 29,000 (62 percent) are military-connected civilian households, 16,100 (34 percent) are nonmilitary-connected households, and 1,900 (four percent) are military. Reflecting the increase in Federal civil service and civilian contractor employment in the HMA, over 83 percent of the increase between April 1, 1960 and February 1, 1966 (16,200) was of military-connected civilian households.

Nonfarm Household Changes
Huntsville, Alabama, Housing Market Area
April 1, 1950-February 1, 1968

<u>Date</u>	<u>Households</u>	<u>Average annual change from preceding date</u>
April 1, 1950	13,352	-
April 1, 1960	27,518	1,417
February 1, 1966	47,000	3,350
February 1, 1968	50,500	1,750

Sources: 1950 and 1960 Censuses of Housing.
1966 and 1968 estimated by Housing Market Analyst.

Past Trend. During the 1950-1960 decade, the number of nonfarm households in the area more than doubled from 13,350 to 27,500, a gain of 14,500 (106 percent). A portion of the 1950-1960 total increase reflects a change in census definition from "dwelling unit" in the 1950 census to "housing unit" in the 1960 census, and also reflects a change in the definition of "farm"; both factors tended to inflate the 1960 nonfarm figure.

In 1950, virtually all households were nonmilitary-connected. By 1960, nonmilitary-connected civilian households had dropped to just over 47 percent of the total. By 1960, military-connected civilian households in the HMA were about equal in number (12,800), with 47 percent of the nonfarm total, and another 1,700 households, six percent of the total, were military.

Household Size Trends. As shown in table VI, the average size of all nonfarm households in the Huntsville HMA is 3.60 persons at the present time, a slight decline in average size from 3.61 persons reported in April 1960. The average size of nonfarm households increased during the previous decade, however, from 3.57 persons in 1950 to an average of 3.61 in 1960. The 1950-1960 increase would have been greater but for the conceptual change from "dwelling unit" as used in the 1950 census to "housing unit" as used in 1960. The 1960 definition included some one- and two-person households that were not enumerated in 1950. The increase that occurred during the decade also reflects a change in the definition of "farm", which tended to inflate the 1960 nonfarm household figure.

Estimated Future Household Growth. Based on the increase in population expected in the HMA in response to projected increases in employment, and on the assumption that the household size will not change appreciably, by February 1, 1968 there will be 50,500 nonfarm households in the Huntsville area, an increase of 3,500 (1,750 annually) over the present total. The projected annual increase is well below the average annual increase of 3,350 that occurred during the April 1960-February 1966 interval; however, further increases in Federal civil service and civilian contractor employment in response to new programs undoubtedly would result in an increase of households well above the current projection.

Housing Market Factors

Housing Supply

Current Estimate. As of February 1, 1966, there are about 50,700 nonfarm housing units in the Huntsville HMA, a net increment, since April 1, 1960, of 20,550 units (68 percent), or 3,525 annually (see table VIII). The net increase of 20,550 units reflects the construction of about 20,450 housing units and a net addition of 500 trailers moved into the area, less some 400 units removed from the inventory through demolition, conversions, merger, fire, and other losses.

Past Trend. During the 1950-1960 decennial period, the number of nonfarm housing units in the HMA increased by almost 16,100 (115 percent), from 14,050 in April 1950 to 30,150 in April 1960. Although the nonfarm housing supply in the area more than doubled during the decade, the April 1950-April 1960 average annual increase of 1,600 is 54 percent below the April 1960 to February 1966 annual average. A portion of the 1950-1960 change, moreover, reflects a conceptual change from "dwelling unit" as used in the 1950 Census to "housing unit" as used in the 1960 Census.

Characteristics of the Supply. Most of the housing units in the Huntsville HMA are in one-family structures currently, although the proportion has declined slightly since April 1960. A current distribution of the nonfarm housing supply in the Huntsville HMA by type of structure indicates that 83 percent of the current inventory (42,200 units) is in one-unit structures (including trailers). In April 1960 there were 25,950 such units, about 86 percent of the inventory at that time. The number of units in two-to four-family structures increased from 3,150 in 1960 to 4,700 currently, but the proportion of such units in the housing inventory declined from 11 percent to nine percent. The biggest relative increase occurred in the number of units in structures with five units or more, which increased from less than 1,025 units in April 1960 (three percent of the total inventory) to 3,800 units (eight percent of the total nonfarm inventory) in 1966.

A distribution of the nonfarm housing inventory by age of structure, shown in the following table, reflects the rapid growth of the Huntsville area since the arsenal was reactivated in the late 1940's. About 73 percent of the total inventory (37,350 nonfarm units) has been built since 1950. In the preceding twenty years (1930-1950), only 6,450 units were built, about 13 percent of the current total housing supply. The other 6,900 units in the current inventory, about 14 percent, were constructed prior to 1930.

Distribution of the Nonfarm Housing Inventory by Year Built^{a/}
Huntsville, Alabama, Housing Market Area
February 1, 1966

<u>Year built</u>	<u>Number of units</u>	<u>Percentage distribution</u>
April 1, 1960-February 1, 1966	20,950	41
1950 - March 31, 1960	16,400	32
1940 - 1949	4,450	9
1930 - 1939	2,000	4
1929 or earlier	<u>6,900</u>	<u>14</u>
Total	50,700	100

a/ The basic 1960 Census data contain an unknown degree of error in "year built", occasioned by the accuracy of response to enumerators' questions, as well as errors caused by sampling.

Source: Estimated by Housing Market Analyst based on 1960 data from the Census of Housing, and adjusted to reflect units added, demolitions, conversions, fire loss, and other changes in the inventory since April 1960.

Residential Building Activity

Past Trend. Residential construction volume in the HMA, as measured by building permits, was at a peak in 1963 and 1964 (see table IX). Over 10,950 units were authorized in the two-year period, an average of 5,475 annually. The relatively high level of new construction activity in the HMA during these two years reflects the rapid increases in local employment that occurred throughout the economy. There was also a high level of speculative building, primarily a reflection of the fact that some builders from other parts of Alabama and adjoining states were attracted to the Huntsville area because of its rapid growth. In 1965, there were 3,400 units authorized, a total that was 1,775 (34 percent) below the 1964 total. Significantly, fewer than 1,300 of the units permitted in 1965 were authorized in the last six months of the year. The sharp decline in the latter half of 1965 was a reaction to the high level of speculative new construction that occurred in the preceding two years and also reflects the slowdown in the rate of economic growth that occurred subsequent to March 1965.

New Housing Units Authorized by Building Permits
Huntsville, Alabama, Housing Market Area
Annual Totals, 1960-1965

<u>Year</u>	<u>Total</u> <u>units</u>	<u>Change from</u> <u>preceding date</u>	<u>Year</u>	<u>Total</u> <u>units</u>	<u>Change from</u> <u>preceding date</u>
1960	1,436	-	1963	5,789	2,746
1961	2,351	915	1964	5,166	-623
1962	3,043	692	1965	3,399	-1,767

Sources: Bureau of the Census, Construction Reports, C-40; Building Departments, cities of Huntsville and Madison.

New single-family construction, as measured by permits, averaged 2,025 a year during the 1960-1962 period. In response to rapid increases in employment, single-family activity in the HMA peaked at an average of 3,925 a year in 1963 and 1964. In 1965, fewer than 2,475 single-family units were authorized, and of this total only 960 were authorized in the last six months of the year. By comparison, over 1,850 such units were authorized in the latter half of 1964.

New multifamily construction of two units or ~~more~~ reached an all-time high in 1963 and 1964. In this two-year period, almost 3,100 multifamily units were authorized, an average of some 1,550 annually. Paralleling single-family activity, multifamily authorizations declined in 1965 to a total of 930. Between July 1, 1965 and December 31, 1965, only 320 multifamily units were authorized.

Units Under Construction. Based primarily on the results of the postal vacancy survey which was conducted in the HMA in January 1966 and covered almost 81 percent of the current nonfarm housing supply, it is estimated that there are about 450 single-family units and 420 apartment units under construction at the present time. An earlier postal survey, conducted in January 1965, counted 990 single-family units and 900 apartment units under construction.

Demolitions. An estimated 400 housing units have been demolished in the Huntsville HMA since 1960; the demolitions occurred principally in urban renewal areas. Based on the relocation estimates of the Huntsville Housing Authority, as many as 600 units may be demolished in the HMA during 1966 and 1967. Urban renewal activity is expected to account for about two-thirds of the demolitions; the remaining one-third will result from code enforcement and highway construction.

Tenure of Occupancy

Current Estimate. Reflecting the relatively high proportion of single-family housing built in the HMA in the past several years, about 66 percent of the 47,000 occupied nonfarm units in the area are owner-occupied currently and 34 percent are occupied by tenants (see table VIII). In April 1960, 60 percent were owner-occupied and 40 percent were renter-occupied.

Past Trend. In the 1950-1960 decade there was a significant increase in the proportion of owner-occupancy in the HMA, from 48 percent in April 1950 to 60 percent in April 1960. The number of renter families rose from 6,875 in 1950 to 11,000 in 1960, but the proportion of renter-occupancy declined from 52 percent to 40 percent during the decade. Since relatively few multifamily units were built in the area during the 1950's, it is evident that a large proportion of the increase in renter households was accommodated in single-family housing.

Vacancy

1960 Census. In April 1960, the census reported that there were 1,750 vacant nonfarm housing units available for sale or rent in the Huntsville HMA, a net vacancy ratio of 6.0 percent (see table VIII). Based on the number of available sales and rental units at that time, net homeowner and renter vacancy ratios were 4.5 percent and 8.2 percent, respectively. The census also reported that 25 of the available sales units, about three percent, lacked some plumbing facility. Nearly 230, or 23 percent of the vacancies available for rent, lacked one or more plumbing facilities.

Postal Vacancy Survey. A postal vacancy survey was conducted in January 1966 by the Huntsville Post Office in Madison County and the Athens Post Office in Limestone County (see table X). The Huntsville Post Office surveyed almost 41,050 units, about 81 percent of the nonfarm housing supply of the HMA. At the time of the survey, 2,275 units (5.6 percent) were vacant. A total of 1,475 of the vacancies were classified as residences, a vacancy ratio of 4.3 percent; the other vacancies (800) were apartments, a vacancy factor of 11.6 percent. The Huntsville portion of the survey also enumerated 850 units as being under construction, a total that includes 430 residences and 420 apartments. These units, of course, were not counted as vacancies.

Four other postal vacancy surveys have been conducted in the Huntsville HMA since April 1960. The results of the surveys, including the one conducted in January 1966, are compared in table XI. It is interesting to note that the over-all vacancy ratio in the area declined, from 4.4 percent in January 1964 to 3.7 percent in January 1965, during a period that was characterized by a high level of residential construction and a large increase in nonagricultural wage and salary employment. Between January 1965 and 1966, however, the over-all vacancy ratio rose from 3.7 percent to 5.6 percent. The increase in the vacancy ratio in the latter period occurred in spite of the fact that new construction during 1965 was 34 percent below the 1964 level, so that the increase in the vacancy ratio would appear to reflect the fact that increases in wage and salary employment during 1965 were well below those occurring in the preceding three years, and that most of the 1965 increase in employment occurred during the first three months of the year.

It is important to note that the postal vacancy survey data are not entirely comparable with the data published by the Bureau of the Census because of differences in definition, area delineations, and methods of enumeration. The census reports units and vacancies by tenure, whereas the postal vacancy survey reports units and vacancies by type of structure. The Post Office Department defines a "residence" as a unit representing one stop for one delivery of mail (one mailbox). These are principally single-family homes, but include row houses, and some duplexes and structures with additional units created by conversion. An "apartment" is a unit on a stop where more than one delivery of mail is possible. Postal surveys omit vacancies in limited areas served by post office boxes and tend to omit units in subdivisions under construction. Although the postal vacancy survey has obvious limitations, when used in conjunction with other vacancy indicators, the survey serves a valuable function in the derivation of estimates of local market conditions.

Current Estimate. Based primarily on the results of the latest two postal surveys, which showed a relatively large increase in vacancies in both the residence and apartment categories between January 1965 and January 1966, and on other vacancy data obtained in the area, it is judged that there are 2,600 vacant nonfarm housing units in the Huntsville HMA available for sale or rent at this time, a net vacancy ratio of 5.2 percent. Of this total, 1,200 are available for sale, a home-owner vacancy rate of 3.7 percent; the remaining 1,400 are available for rent, indicating a rental vacancy ratio of 8.0 percent. Substantially all of the vacant available sales units have standard plumbing facilities, but about one-fifth of the available rental units lack one or more plumbing facilities.

The number of vacant nonfarm housing units available for sale or rent in the HMA at the present time is at an all-time high. In an area of heavy military impact such as Huntsville, the current levels of vacancy in both the sales and rental markets are substantially above those which would represent a balanced demand-supply relationship.

Sales Market

General Market Conditions. The sales market in the Huntsville HMA has softened somewhat in the past year, as indicated by (1) the high current homeowner vacancy ratio of 3.7 percent; (2) an increasing proportion of ~~unsold~~ new speculatively-built homes (570 units, or 27 percent of those completed during 1965 as compared with 430 units, or 15 percent of those completed during 1964); and (3) an increase in the vacancy rate from 3.1 percent in January 1965 to 4.3 percent in January 1966 for units enumerated as residences in the latest postal vacancy surveys. Had the rate of new single-family construction, as measured by building permits, not declined by 36 percent, from 3,850 in 1964 to 2,475 in 1965, the current level of vacancies would have been much higher.

The level of land and construction costs in the Huntsville area is such that few new homes can be built to sell below \$10,000. Most homes built below this minimum would be those built individually on scattered lots.

Unsold Inventory of New Homes. In January of 1964, 1965, and 1966, the Huntsville FHA Valuation Station surveyed all subdivisions in Madison and Limestone Counties in which five or more sales houses had been completed in the preceding twelve months (see table XII). Substantially all of the completions enumerated in the three surveys were in the Huntsville HMA. The latest survey counted nearly 85 subdivisions in which five or more sales houses were completed in 1965. A total of 2,800 houses had been completed in these subdivisions, of which 2,125 (76 percent) were built speculatively^{1/}. Of this total, nearly 570 (27 percent) remained unsold on January 1, 1966. The survey counted an additional 50 unsold homes completed prior to 1965, of which 35 were in the \$17,500-\$24,999 price group.

Both the January 1964 and January 1965 surveys enumerated more completions (3,150 and 3,625, respectively) than the 1966 survey, but reported fewer unsold speculatively-built new houses (340 in 1963 and 430 in 1964). The resulting ratios of unsold speculatively-built new construction, 14 percent of those built in 1963 and 15 percent of those built in 1964, both are below the 27 percent ratio reported in the latest survey.

^{1/} The number of completions in 1965 (2,800) was greater than the number of units authorized (2,470) inasmuch as the 1965 completions included a large number of units authorized in 1964, when authorizations were over 50 percent greater.

Rental Market

General Market Conditions. Excluding publicly-financed units, little multifamily housing was built in the HMA prior to 1960. The 1960 census reported that there were 4,175 nonfarm units in structures of two or more units. Currently, however, there are 8,500 such units, more than double the 1960 total. As measured by building permits for units in structures of two or more units, multifamily construction, which increased from 90 units in 1960 to 470 in 1962, was at a peak in 1963 and 1964. Totals of 1,775 and 1,325 multifamily units were authorized in 1963 and 1964. However, in 1965, only 930 of these units were authorized, and in the last six months of 1965, only 320 were authorized. The decline in the rate of new multifamily authorizations is reflected in the fact that the January 1966 postal survey reported 420 multifamily units under construction in the HMA, compared to 900 such units under construction in January 1965.

Although the rate of new multifamily construction declined during 1965, a comparison of the latest two postal vacancy surveys shows that apartment vacancies increased from 350 (7.3 percent) in January 1965 to 810 (11.6 percent) in January 1966, an indication that the rental market has softened in the past year. The decline in the rate of new construction activity during the past year apparently was not enough to offset a reduction in demand caused by the slowdown of economic growth in the area.

New Multifamily Housing. The number of multifamily units built in the last three years accounts for a significant proportion of all multifamily units existing in the Huntsville HMA at the present time. Typical shelter rents in these newer apartment complexes are \$105-\$125 for one-bedroom units, \$135-\$160 for two-bedroom units, and \$180 and up for three-bedroom units. The lower rents within each bedroom size reflect unfurnished accommodations. Based on construction and land costs in the HMA and on conversations with informed persons in the area, it is judged that the rent structure of the newer units is somewhat high in relation to lower rent levels that could actually be achieved with private capital. The high rents reflect, in part, the fact that a portion of the rental demand in the area is from the middle-and high-income professional and technical people who have been migrating to the HMA in the past few years in response to job opportunities with the various companies doing business with Army and NASA.

In an attempt to determine the vacancy levels in some of the newer apartment projects, the Huntsville FHA Valuation Station surveyed thirteen multifamily projects located in various sections of the city in February 1966. All of the projects had been built since 1960. The survey enumerated almost 1,850 units in the various projects, and found that 190 units (10.5 percent) were vacant.

Urban Renewal

Two urban renewal projects in the Huntsville area already have been completed. Planning on the Heart of Huntsville (Alabama R-23), a general neighborhood renewal plan, was approved in November 1959 and completed in November 1960. The West Clinton Street (UR Alabama 4-1) project of nearly 51 acres was completed in September 1963, and is bounded roughly by Memorial Parkway on the west, by Governors Drive on the south, and by Woodson Street, Peeler Street, Saint Clair Avenue, and Sivley Road on the north and east. Over 100 substandard structures were demolished, and 70 families, 15 individuals, and five businesses were relocated. Commercial redevelopment included the Heart of Huntsville Shopping Center and other commercial and shopping facilities.

There are six other urban renewal projects in the HMA in various stages of planning and execution. Winston Street (Alabama R-6) contains nearly 41 acres, all of which has been acquired by the local housing authority. The boundaries of the project area are roughly as follows: Josephine Street on the west; Pratt Avenue on the north; Meridian Street on the east; and the Southern Railroad tracks on the south. About 250 substandard structures were demolished. To date, 220 families, 45 individuals, and five businesses have been relocated. The area is being redeveloped commercially, principally as a site for automobile showrooms.

Madison Pike-Ninth Avenue (Alabama R-13), a project area of nearly 50 acres, is almost complete. Some 110 structures have been demolished, and 120 families and 15 individuals already have been relocated. A total of 260 units of public housing have been constructed since the project began.

The Big Spring (Alabama R-32) project is currently in the acquisition stage; about one-half of the parcels already have been acquired. A new city municipal building, a new library, and a community center have been constructed, and an eleven story office building is under construction. Expanded medical facilities and a multi-deck parking garage have been proposed for the project area.

Over 126 acres of land is involved in the project area. When completed, an estimated 240 structures will have been demolished. As many as 95 families, 30 individuals, and 10 businesses are expected to be relocated. The project area is bounded by Leemans Ferry Road on the west, by Saint Clair Avenue on the south, and by portions of Gallatin Street, Madison Street, and Spring Avenue on the east and north.

The Central City (Alabama R-46) project area encompasses 198 acres in downtown Huntsville. The local housing authority is awaiting approval of a loan and grant contract. Over 320 structures are earmarked for demolition, and it is expected that 170 families, 60 individuals, and 120 businesses will be relocated. The project area will emphasize rehabilitation of businesses already located in the downtown area, an improved traffic circulation system, several parking garages, and a pedestrian plaza.

Parkview (Alabama R-59), a project area of 25 acres, is in the final planning stage. About 65 structures will be torn down and 30 families, five individuals, and ten businesses relocated. The area is bounded by Leemans Ferry Road on the east, Clinton Avenue to the north, Church Street on the east, and by portions of Clay Avenue and Big Spring Lagoon on the south. This project is the second phase of the Huntsville General Neighborhood Renewal Program. Redevelopment will be commercial in nature.

A survey and planning application is pending on the Pulaski Pike (Alabama R-81) urban renewal area. Plans are to demolish about 210 structures in the 343-acre project area, and to relocate about 120 families, 25 individuals, and 15 businesses. If plans materialize, there will be a concentrated effort to rehabilitate all existing structures that can be feasibly rehabilitated. Spot clearance will remove those structures that cannot be improved.

According to the local housing authority, as many as 600 households may be displaced by government action during 1966 and 1967, principally through urban renewal activities and code enforcement. The displacements through urban renewal activity are likely to occur in the Big Spring (R-32), Central City (R-46), and Parkview (R-59) project areas.

Public Housing

The Housing Authority of the City of Huntsville manages 1,775 units of public housing in the Huntsville HMA. A program reservation has been made for another project of 200 units.

Military Housing

In July 1965 the Army indicated that there were 1,059 military-controlled housing assets available for occupancy by uniformed military personnel. Of this total, 297 units (mostly Lanham Act housing) are considered to be inadequate as public quarters. No new construction is planned.

The July 1965 survey conducted by the Army also reported that there were 84 military personnel renting unsuitable quarters off-post. However, Colony Apartments, a 100-unit Section 810 project, was completed in 1965 and should satisfy a portion of the demand for off-post rental accommodations.

Demand for Housing

Quantitative Demand

The demand for additional new housing in the Huntsville HMA between February 1, 1966 and February 1, 1968 is based, in part, on the projected level of household growth (1,750 annually) and on the number of housing units expected to be demolished in the HMA in the next two years. Consideration also is given to the current tenure of occupancy, to the continuing trend from renter to owner-occupancy, and to the transfer of single-family homes from the sales inventory to the rental inventory. The estimate of demand over the next two years also reflects the need to reduce the current high level of vacancies in both the sales and rental inventories to levels that reflect the long-term needs of the market. After considering these factors, the demand for additional non-assisted, privately-owned housing units (excluding public low-rent housing and rent-supplement accommodations) is estimated at 1,500 units annually over the two-year forecast period. The annual total includes 1,100 sales units and 400 rental units. The annual rental demand includes 150 middle-income units that can be marketed only at rent levels achievable with the aid of below-market-interest-rate financing or assistance in land purchase and cost.

The estimate of demand for new housing in the next two years is significantly below the average annual construction volume in the 1960-1965 period. The projected annual demand for 1,100 sales units compares with an average of 2,725 single-family units authorized by building permits during the six-year 1960-1965 period; it is also over 40 percent below the reduced annual rate of 1,925 single-family units authorized in the last six months of 1965. The annual demand for 400 new rental units compares with an annual average of 730 privately-financed multifamily units authorized since 1960, and is well below the average of 1,200 such units authorized in the three-year 1963-1965 period and the annual rate of 640 units in the last half of 1965. These lower projections of future demand, however, are consistent with the estimated annual increase in employment in the next two years, which is well below the average annual increases that occurred between 1960 and 1966, and also with the intent to reduce the current high levels of vacancies to more acceptable levels.

Qualitative Demand

Sales Housing. The average annual demand for 1,100 new sales houses in the Huntsville HMA is expected to approximate the sale price pattern presented in the following table. The distribution of demand is based on current family after-tax income and on the proportion of income that

families typically pay for new sales housing. Adjustments have been made to reflect recent market experience, in particular, the finding that substantially all of the demand will be for housing built in the city of Huntsville or in adjoining suburban areas that provide comparable amenities and municipal services.

Estimated Annual Demand for New Nonfarm Sales Housing by Price Class
Huntsville, Alabama, Housing Market Area
February 1, 1966 to February 1, 1968

<u>Price range</u>	<u>Number of units</u>	<u>Percentage distribution</u>
\$10,000 - \$12,499	125	11
12,500 - 14,999	165	15
15,000 - 17,499	225	21
17,500 - 19,999	200	18
20,000 - 24,999	250	23
25,000 - 29,999	90	8
30,000 and over	45	4
Total	1,100	100

The foregoing distribution differs from those in table XII, which reflect only selected subdivision experience during the past three years. Although the data in table XII cover over 90 percent of the new single-family construction, the three surveys do not include new construction in subdivisions with fewer than five completions during the preceding twelve months, nor do they reflect individual or contract construction on scattered lots. It is likely that the more expensive housing construction, and some of the lower-value homes, are concentrated in the smaller building operations. The preceding demand estimate reflects all home building and indicates a greater concentration in some price ranges than a subdivision survey would reveal. Adjustments have been made to reflect recent market experience, in particular, the finding that substantially all of the increase in the number of unsold speculatively-built new homes as reported by the last two unsold inventory surveys occurred in the \$20,000 and above price range.

Few adequate new sales units can be built in the HMA to sell for less than \$10,000; thus, all of the demand for new sales housing has been distributed at and above this minimum. The demand for sales housing priced below this level will be accommodated in the existing sales inventory. Also, many existing houses priced above this minimum will be vacated by owner families who can afford to upgrade their living standards by purchasing new housing, thereby permitting upgrading of families in the lower income ranges.

Rental Housing. The monthly rentals at which 400 privately-owned net additions to the aggregate rental housing inventory, excluding public low-rent housing and rent-supplement accommodations might best be absorbed by the rental market are indicated for various size units in the following table. The minimum monthly gross rent levels achievable in the Huntsville HMA at market-interest-rate financing are \$75 for efficiencies, \$90 for one-bedroom units, \$105 for two-bedroom units, and \$120 for three-bedroom units.^{1/} These net additions may be accomplished by either new construction or rehabilitation at the specified rentals with or without public benefits or assistance through subsidy, tax abatement, or aid in financing or land acquisition.

Estimated Average Annual Demand for New Rental Units
Huntsville, Alabama, Housing Market Area
February 1, 1966 to February 1, 1968

<u>Size of unit</u>	<u>Number of units</u>	<u>Monthly gross rent ^{a/}</u>
Efficiency	20	\$60 - \$74
	30	\$75 and above
One-bedroom	35	\$70 - \$89
	75	\$90 and above
Two-bedroom	55	\$80 - \$104
	100	\$105 and above
Three-or more-bedroom	40	\$90 - \$119
	<u>45</u>	\$120 and above
Total	400	

a/ Gross rent is shelter or contract rent plus the cost of utilities.

The preceding distribution of average annual demand for new apartments is based on projected tenant-family income, the size distribution of tenant households, and rent-paying propensities found to be typical in the area; consideration is also given to the recent absorption experience of new rental housing. Thus, it represents a pattern for guidance in the production of rental housing predicated on foreseeable quantitative and qualitative considerations. Individual projects may differ from the general pattern in response to specific neighborhood or sub-market requirements.

^{1/} Calculated on the basis of a long-term mortgage (40 years) at 5½ percent interest and 1½ percent initial annual curtail; changes in these assumptions will affect minimum rents accordingly.

It was mentioned earlier in the analysis that the rent structure of the units produced in the past few years appears high in relation to rent levels that could be achieved through the use of private capital and still produce a profitable return. In this connection, it is judged that new rental units in the HMA in the next two years would have greatest market acceptance if produced at monthly gross rent levels closer to the minimum levels achievable. Production of new units at these lower rent levels not only would satisfy a segment of the market previously not served, but would also allow the gradual absorption of the higher-priced units now vacant and reduce the over-all rental vacancies to a more acceptable level.

The location factor is of especial importance in the provision of new units at the lower-rent levels. Families in this user group are not as mobile as those in other economic segments; many are less able or willing to break with established social, church, and neighborhood relationships, and proximity to place of work frequently is a governing consideration in the place of residence preferred by families in this group. Thus, the utilization of lower-priced land for new rental housing in outlying locations to achieve lower rents may be self-defeating unless the existence of a demand potential is clearly evident.

Table I

Work Force Components
Huntsville, Alabama, Housing Market Area
March 1960-December 1965
(in thousands)

<u>Item</u>	<u>March</u> <u>1960</u>	<u>March</u> <u>1961</u>	<u>March</u> <u>1962</u>	<u>March</u> <u>1963</u>	<u>March</u> <u>1964</u>	<u>March</u> <u>1965</u>	<u>December</u> <u>1964</u>	<u>December</u> <u>1965</u> ^{a/}
Total civilian work force	<u>46.6</u>	<u>52.7</u>	<u>55.0</u>	<u>64.3</u>	<u>72.8</u>	<u>82.3</u>	<u>79.5</u>	<u>84.5</u>
Unemployment	2.7	2.4	1.7	1.9	1.8	1.8	1.6	1.4
Percent unemployed	5.8%	4.6%	3.1%	3.0%	2.5%	2.2%	2.0%	1.7%
Total employment	<u>43.9</u>	<u>50.2</u>	<u>53.3</u>	<u>62.3</u>	<u>71.0</u>	<u>80.5</u>	<u>77.9</u>	<u>83.1</u>
Wage and salary	<u>36.0</u>	<u>40.9</u>	<u>44.0</u>	<u>52.3</u>	<u>60.1</u>	<u>69.0</u>	<u>66.1</u>	<u>71.3</u>
All other employment ^{b/}	7.9	9.3	9.2	10.0	10.9	11.5	11.8	11.7

^{a/} Preliminary.

^{b/} Includes all agricultural workers and nonagricultural employment consisting of the self-employed, domestics, and unpaid family workers.

Note: Subtotals may not add to totals because of individual rounding.

Source: Alabama State Employment Service.

Table II

Nonagricultural Wage and Salary Employment by Type of Industry
Huntsville, Alabama, Housing Market Area
March 1960-December 1965
(in thousands)

<u>Industry</u>	<u>March</u>	<u>March</u>	<u>March</u>	<u>March</u>	<u>March</u>	<u>March</u>	<u>December</u>	
	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1964</u>	<u>1965^{a/}</u>
Total wage and salary employment	<u>36.0</u>	<u>40.9</u>	<u>44.0</u>	<u>52.3</u>	<u>60.1</u>	<u>69.0</u>	<u>66.1</u>	<u>71.3</u>
Manufacturing	<u>4.9</u>	<u>5.4</u>	<u>6.3</u>	<u>7.9</u>	<u>9.4</u>	<u>12.0</u>	<u>11.4</u>	<u>13.2</u>
Durable goods	<u>2.1</u>	<u>2.5</u>	<u>3.3</u>	<u>4.9</u>	<u>6.3</u>	<u>8.7</u>	<u>8.1</u>	<u>9.7</u>
Ordnance	<u>0.7</u>	<u>1.1</u>	<u>1.5</u>	<u>2.6</u>	<u>3.7</u>	<u>5.9</u>	<u>5.0</u>	<u>6.0</u>
Fabricated metals	<u>0.3</u>	<u>0.3</u>	<u>0.4</u>	<u>0.7</u>	<u>0.3</u>	<u>0.3</u>	<u>0.4</u>	<u>0.4</u>
Machinery, including electrical	<u>0.7</u>	<u>0.6</u>	<u>0.9</u>	<u>1.1</u>	<u>1.5</u>	<u>1.7</u>	<u>1.7</u>	<u>2.5</u>
Other durable goods	<u>0.4</u>	<u>0.5</u>	<u>0.5</u>	<u>0.6</u>	<u>0.8</u>	<u>0.8</u>	<u>1.0</u>	<u>0.9</u>
Nondurable goods	<u>2.7</u>	<u>2.9</u>	<u>3.0</u>	<u>3.0</u>	<u>3.1</u>	<u>3.3</u>	<u>3.3</u>	<u>3.5</u>
Food and kindred products	<u>0.5</u>	<u>0.5</u>	<u>0.6</u>	<u>0.6</u>	<u>0.7</u>	<u>0.7</u>	<u>0.8</u>	<u>0.8</u>
Textiles and apparel	<u>1.2</u>	<u>1.2</u>	<u>1.2</u>	<u>1.2</u>	<u>1.1</u>	<u>1.1</u>	<u>1.1</u>	<u>1.2</u>
Printing and publishing	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.3</u>	<u>0.2</u>	<u>0.3</u>
Chemicals	<u>0.2</u>	<u>0.2</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>0.2</u>	<u>0.2</u>	<u>0.3</u>
Other nondurable goods	<u>0.6</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.9</u>	<u>0.9</u>	<u>1.0</u>
Nonmanufacturing	<u>31.1</u>	<u>35.5</u>	<u>37.7</u>	<u>44.5</u>	<u>50.8</u>	<u>57.0</u>	<u>54.8</u>	<u>58.1</u>
Construction	<u>2.2</u>	<u>1.7</u>	<u>2.5</u>	<u>3.6</u>	<u>4.4</u>	<u>4.0</u>	<u>4.6</u>	<u>4.0</u>
Trans., comm., utilities	<u>0.9</u>	<u>1.0</u>	<u>1.1</u>	<u>1.2</u>	<u>1.6</u>	<u>1.7</u>	<u>1.7</u>	<u>1.8</u>
Wholesale and retail trade	<u>5.4</u>	<u>5.8</u>	<u>6.1</u>	<u>7.2</u>	<u>8.4</u>	<u>9.7</u>	<u>10.2</u>	<u>11.3</u>
Finance, insurance, real estate	<u>0.6</u>	<u>0.9</u>	<u>0.9</u>	<u>1.2</u>	<u>1.4</u>	<u>1.7</u>	<u>1.5</u>	<u>1.6</u>
Services and miscellaneous	<u>5.1</u>	<u>6.6</u>	<u>7.1</u>	<u>9.9</u>	<u>12.3</u>	<u>16.1</u>	<u>12.6</u>	<u>14.4</u>
Government	<u>17.0</u>	<u>19.5</u>	<u>20.1</u>	<u>21.3</u>	<u>22.7</u>	<u>23.8</u>	<u>24.2</u>	<u>25.1</u>

^{a/} Preliminary.

Note: Subtotals may not add to totals because of individual rounding.

Source: Alabama State Employment Service.

Table III

Military Strength and Civilian Personnel
at Army and NASA Facilities
Huntsville, Alabama, Area

Date	DOD personnel				NASA personnel		Total
	Military		Civil service	Civilian contractor	Civil service	Civilian contractor	
	Officers	Enlisted					
FY 1960	891	3,041	14,279	3,682	-	-	21,893
FY 1961	869	3,203	10,403	3,115	5,688	2,532	25,810
FY 1962	789	3,110	9,621	4,894	6,500	4,535	29,449
FY 1963	850	2,900	9,200	7,366	7,000	7,604	34,920
January 1964	800	3,000	9,200	7,529	7,288	9,476	37,293
December 1964	792	3,182	9,841	6,243	7,000	11,500	38,558
February 1966	890	3,913	10,033	6,296	6,770	15,150	43,052
<u>Projections: a/</u>							
FY 1966	700	3,705	10,475	6,461	6,770	15,000	43,111
FY 1967	800	3,200	9,850	6,250	6,770	14,000	41,870
FY 1968	NA	NA	NA	NA	6,770	13,000	

a/ These projections assume no new program starts or extensions. New starts or extensions of existing programs could eliminate the projected decreases in contractor strengths in the later fiscal years.

Sources: Department of the Army and the National Aeronautics and Space Administration, Redstone Arsenal.

Table IV

Employment Trends and Forecasts of Selected Major Employers
Huntsville, Alabama, Housing Market Area
January 1, 1963 - January 1, 1966

<u>Name of company</u>	<u>Employment on:</u>				<u>Growth anticipated during 1966</u>
	<u>Jan. 1, 1963</u>	<u>Jan. 1, 1964</u>	<u>Jan. 1, 1965</u>	<u>Jan. 1, 1966</u>	
Boeing Co.	765	1,575	3,224	4,326	Slight increase
Brown Engineering Co.	1,900	3,260	3,162	3,185	Modest increase
General Electric Co.	435	935	1,632	2,108	Stable employment
International Business Machines Corp.	175	300	1,033	1,516	Unknown
Chrysler Corp.	1,900	1,550	1,801	1,368	Stable employment
Hayes International Corp.	618	935	729	1,016	Stable employment
Spaco Inc.	350	485	634	862	Add 100 workers
Thiokol Chemical Corp.	1,944	1,550	900	675	Stable employment
Sperry-Rand Corp.	-	-	-	550	Add 100 workers
Space Craft Inc.	110	245	366	509	Add 150 workers
Radio Corporation of America	70	100	100	350	Unknown
Vitro Services Corp.	33	140	271	324	Unknown
Rohm and Haas Co.	300	300	282	300	Unknown
Northrop Space Laboratories	30	170	159	298	Small increase
Wyle Laboratories	30	150	181	237	Small increase
Lockheed Missiles and Space Co.	-	105	184	236	Add 150 workers
Total	8,660	11,800	14,658	17,860	

Sources: Association of Huntsville Area Contractors and The Huntsville Times.

Table V

Estimated Percentage Distribution of Nonfarm Families
by Annual Income and by Tenure
After Deducting Federal Income Tax^{a/}
Huntsville, Alabama, Housing Market Area, 1966 and 1968

<u>Annual</u> <u>after-tax income</u>	<u>1966 income</u>		<u>1968 income</u>	
	<u>Total</u>	<u>Renter</u>	<u>Total</u>	<u>Renter</u>
Under \$2,000	11	19	10	18
\$2,000 - 2,999	5	11	5	11
3,000 - 3,999	7	10	7	10
4,000 - 4,999	8	10	7	9
5,000 - 5,999	8	9	7	8
6,000 - 6,999	7	9	7	9
7,000 - 7,999	7	7	7	7
8,000 - 8,999	8	5	8	6
9,000 - 9,999	6	5	6	5
10,000 - 14,999	22	11	23	12
15,000 and over	<u>11</u>	<u>4</u>	<u>13</u>	<u>5</u>
Total	100	100	100	100
Median	\$7,625	\$5,000	\$8,050	\$5,275

^{a/} Covers all families of two or more persons.

Source: Estimated by Housing Market Analyst.

Table VI

Nonfarm Population and Household Changes
Huntsville, Alabama, Housing Market Area
April 1, 1950 - February 1, 1966

<u>Population</u>	<u>April 1, 1950</u>	<u>April 1, 1960</u> <u>a/</u>	<u>February 1, 1966</u>	<u>1960-1966 change</u>	
				<u>Number</u>	<u>Percent</u>
Military	-	8,550	10,000	1,450	17
Military-connected civilian	-	45,300	102,500	57,200	126
Nonmilitary-connected civilian	-	48,600	60,500	11,900	24
HMA total	48,733 <u>b/</u>	102,472	173,000	70,550	69
<u>Households</u>					
Military	-	1,700	1,900	200	12
Military-connected civilian	-	12,800	29,000	16,200	127
Nonmilitary-connected civilian	-	13,000	16,100	3,100	24
HMA total	13,352 <u>b/</u>	27,518	47,000	19,500	71
<u>Household size</u>					
HMA total	3.57	3.61	3.60	-	-

a/ Components for 1960 are estimated and do not add to HMA totals for population or households

b/ Components were not estimated because military and military-connected civilian totals were not significant.

Sources: Total population, total households, and household size for 1950 and 1960 from Censuses of Population and Housing. Total population, total households, and household size for 1966 estimated by Housing Market Analyst. Military military-connected civilian population and household data for 1960 and 1966 estimated by Housing Market Analyst.

Table VII

Population Distribution by Age Groups
Madison County, Alabama
April 1, 1950 - September 22, 1964

<u>Age in years</u>	<u>April 1, 1960</u>	<u>April 1, 1960</u>	<u>September 22, 1964</u>	<u>1950 to 1960 change</u>		<u>1960 to 1964 change</u>	
				<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
<u>Total population</u>							
Under 10	16,869	29,339	46,019	12,470	74	16,680	57
10 - 19	13,739	20,931	30,781	7,192	52	9,850	47
20 - 29	11,954	19,206	29,592	7,252	61	10,386	54
30 - 39	10,050	17,680	26,941	7,630	76	9,261	52
40 - 49	8,225	13,077	18,710	4,852	59	5,633	43
50 - 59	5,581	8,314	11,043	2,733	49	2,729	33
60 and over	6,485	8,801	10,199	2,316	36	1,398	16
Total	72,903	117,348	173,285	44,445	61	55,937	48

Sources: 1950 and 1960 Censuses of Population.
1964 from special Census of Population conducted in Madison County.

Table VIII

Components of the Nonfarm Housing Inventory
Huntsville, Alabama, Housing Market Area
April 1, 1950-February 1, 1966

	April 1, 1950	April 1, 1960	February 1, 1966	Change in total			
				1950-1960		1960-1966 ^{a/}	
<u>Supply tenure, and vacancy</u>				<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Total housing supply	<u>14,037</u>	<u>30,127</u>	<u>50,700</u>	<u>16,090</u>	<u>115</u>	<u>20,550</u>	<u>68</u>
Total occupied units	<u>13,352</u>	<u>27,518</u>	<u>47,000</u>	<u>14,166</u>	<u>106</u>	<u>19,500</u>	<u>71</u>
All owners	<u>6,467</u>	<u>16,500</u>	<u>31,000</u>	<u>10,033</u>	<u>155</u>	<u>14,500</u>	<u>88</u>
Percent owner	48.4	60.0	66.6	-	-	-	-
All renters	6,885	11,018	16,000	4,133	60	4,975	45
Percent renter	51.6	40.0	34.0	-	-	-	-
Total vacant housing units	<u>685</u>	<u>2,609</u>	<u>3,700</u>	<u>1,924</u>	<u>281</u>	<u>1,100</u>	<u>42</u>
Available	<u>296</u>	<u>1,758</u>	<u>2,600</u>	<u>1,462</u>	<u>494</u>	<u>840</u>	<u>48</u>
For sale	56	769	1,200	713	1,273	430	56
Percent	.9	4.5	3.7	-	-	-	-
For rent	240	989	1,400	749	312	410	42
Percent	3.4	8.2	8.0	-	-	-	-
Other vacant ^{b/}	389	851	1,100	462	119	250	29

^{a/} In some instances, subtotals may not add to totals because of rounding.

^{b/} Includes vacant seasonal units, dilapidated units, units rented or sold and awaiting occupancy, and units held off the market.

Sources: 1950 and 1960 Censuses of Housing.
1966 estimated by Housing Market Analyst.

Table IX

New Dwelling Units Authorized by Building Permits
Huntsville, Alabama, Housing Market Area
Annual totals, 1960-1965

<u>Area</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>Last six months</u>	
							<u>1964</u>	<u>1965</u>
<u>Huntsville</u> ^{a/}	<u>1,436</u>	<u>2,293</u>	<u>2,978</u>	<u>5,707</u>	<u>5,066</u>	<u>3,304</u>	<u>2,175</u>	<u>1,238</u>
Single-family	1,348	2,083	2,511	3,933	3,743	2,379	1,810	918
Two-family	36	28	22	74	322 ^{c/}	28	37	12
Three-and four-family	19	48	72	480	370	203	134	93
Five-or more-family	33	134	373	1,220 ^{b/}	631 ^{d/}	694	194	215
<u>Madison</u>	<u>NA</u>	<u>58</u>	<u>65</u>	<u>82</u>	<u>100</u>	<u>95</u>	<u>48</u>	<u>44</u>
Single-family	-	58	65	82	100	91	48	44
Two-family	-	-	-	-	-	-	-	-
Three-or four-family	-	-	-	-	-	4	-	-
Five-or more-family	-	-	-	-	-	-	-	-
<u>Total</u>	<u>1,436</u>	<u>2,351</u>	<u>3,043</u>	<u>5,789</u>	<u>5,166</u>	<u>3,399</u>	<u>2,223</u>	<u>1,282</u>
Single-family	1,348	2,141	2,576	4,015	3,843	2,470	1,858	962
Two-family	36	28	22	74	322 ^{c/}	28	37	12
Three-or four-family	19	48	72	480	370	207	134	93
Five-or more-family	33	134	373	1,220 ^{b/}	631 ^{d/}	694	194	215

^{a/} The permit-issuing area for Huntsville extends three miles beyond the city limits.

^{b/} Includes 86 units of public housing.

^{c/} Includes 194 units of public housing.

^{d/} Includes 120 units of public housing.

Sources: Bureau of the Census, Construction Reports, C-40;
 Building Departments, city of Huntsville and town of Madison.

Table X

Huntsville, Alabama, Area Postal Vacancy Survey

January 25, 1966

Postal area	Total residences and apartments						Residences						Apartments						House trailers		
	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant	
		All	%	Used	New			All	%	Used	New			All	%	Used	New			No.	%
The Survey Area Total	48,556	2,481	5.1	1,603	878	907	41,462	1,664	4.0	982	682	489	7,094	817	11.5	621	196	418	1,957	86	4.4
Huntsville	41,027	2,279	5.6	1,419	860	845	34,083	1,473	4.3	808	665	427	6,944	806	11.6	611	195	418	1,648	72	4.4
Main Office	6,351	255	4.0	253	2	13	4,800	137	2.9	137	-	9	1,551	118	7.6	116	2	4	73	-	-
Stations:																					
Blue Spring	12,434	673	5.4	270	403	206	12,018	585	4.9	258	327	149	416	88	21.2	12	76	57	407	-	-
Farley	5,413	432	8.0	143	289	348	4,723	317	6.7	75	242	164	690	115	16.7	68	47	184	60	-	-
Redstone Arsenal	890	10	1.1	10	-	-	492	3	0.6	3	-	-	398	7	1.8	7	-	-	-	-	-
West	15,939	909	5.7	743	166	278	12,050	431	3.6	335	96	105	3,889	478	12.3	408	70	173	1,108	72	6.5
Other Cities and Towns																					
Athens	7,529	202	2.7	184	18	62	7,379	191	2.6	174	17	62	150	11	7.3	10	1	-	309	14	4.5

The survey covers dwelling units in residences, apartments, and house trailers, including military, institutional, public housing units, and units used only seasonally. The survey does not cover stores, offices, commercial hotels and motels, or dormitories; nor does it cover boarded-up residences or apartments that are not intended for occupancy.

The definitions of "residence" and "apartment" are those of the Post Office Department, i. e.: a residence represents one possible stop with one possible delivery on a carrier's route; an apartment represents one possible stop with more than one possible delivery.

Source: FBA postal vacancy survey conducted by collaborating postmaster(s).

Table XI

Summary of Postal Vacancy Surveys
Huntsville, Alabama, HMA
April 1960-January 1966

<u>Total units surveyed</u>	<u>All units</u>	<u>Residences</u>	<u>Apartments</u>
April 1960	23,225	21,527	1,698
July 1961	26,325	24,708	1,617
January 1964	31,030	25,574	5,456
January 1965	36,913	32,161	4,752
January 1966	41,027	34,083	6,944
<u>Vacant units reported</u>			
April 1960	1,308	1,095	213
July 1961	572	492	80
January 1964	1,364	1,055	309
January 1965	1,358	1,011	347
January 1966	2,279	1,473	806
<u>Percent vacant</u>			
April 1960	5.6	5.1	12.5
July 1961	2.2	2.0	4.9
January 1964	4.4	4.1	5.7
January 1965	3.7	3.1	7.3
January 1966	5.6	4.3	11.6

Sources: Postal vacancy surveys conducted by
the Huntsville Post Office.

Table XII

New Homes Completed in Selected Subdivisions ^a /
Madison and Limestone Counties, Alabama ^b
As of January 1, of 1964, 1965, and 1966

<u>Sales price</u>	<u>Total completions</u>		<u>Pre-sold</u>	<u>Speculative construction</u>			
	<u>Number</u>	<u>Percent</u>		<u>Total houses</u>	<u>Number sold</u>	<u>Number unsold</u>	<u>Percent unsold</u>
<u>Houses completed in 1963</u>							
Under \$12,500	128	4	53	75	75	0	0
\$12,500 - 14,999	223	7	46	177	160	17	10
15,000 - 17,499	629	20	106	523	467	56	11
17,500 - 19,999	897	28	144	753	643	110	15
20,000 - 24,999	811	26	230	581	507	74	13
25,000 - 29,999	310	10	79	231	178	53	23
30,000 and over	156	5	42	114	89	25	22
Total	3,154	100	700	2,454	2,119	335	14
<u>Houses completed in 1964</u>							
Under \$12,500	37	1	9	28	28	0	0
\$12,500 - 14,999	371	10	47	324	283	41	13
15,000 - 17,499	472	13	65	407	346	61	15
17,500 - 19,999	821	23	132	689	576	113	16
20,000 - 24,999	1,160	32	228	932	808	124	13
25,000 - 29,999	464	13	119	345	307	38	11
30,000 and over	305	8	98	207	153	54	26
Total	3,630	100	698	2,932	2,501	431	15
<u>Houses completed in 1965</u>							
Under \$12,500	30	1	3	27	25	2	7
\$12,500 - 14,999	254	9	66	188	178	10	5
15,000 - 17,499	491	18	113	378	308	70	19
17,500 - 19,999	525	19	77	448	323	125	28
20,000 - 24,999	873	31	166	707	475	232	33
25,000 - 29,999	517	18	206	311	209	102	33
30,000 and over	111	4	40	71	46	25	35
Total	2,801	100	671	2,130	1,564	566	27

^a/ Covers all subdivisions in which five or more houses were completed in the preceding twelve months.

^b/ Limestone County was not surveyed in 1963.

Source: Unsold Inventory Surveys of New Homes, conducted by the Huntsville FHA Valuation Station.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

FEDERAL HOUSING ADMINISTRATION

NEWS

Washington, D. C. 20411

FHA INFORMATION 382-4693

FOR RELEASE THURSDAY
JANUARY 19, 1967

MC-FHA-MA-67-6
Poston

The Federal Housing Administration today released its analysis of the Huntsville, Alabama, housing market covering Madison County. The report estimates average annual new housing demand at 1,100 sales units and 400 rental units for the two years dating from February 1, 1966.

Annual rental demand includes about 150 middle-income units that may be marketed only at the rents possible with public benefits or assistance-financing. Rental demand does not include public low-rent or rent-supplement housing.

The study shows a rapid rise in the number of vacant sales and rental units during 1965, to a high level by February 1966. Vacant available units included 1,200 sales units and 1,400 rental units, vacancy ratios of 3.7 and 8.0, respectively.

In 1965, residential building volume dropped from the relatively high levels of 1963 and 1964. Building volume indicated by building permits, totaled 3,400 in 1965, compared with an annual average of 5,475 in the 1963-1964 period.

Employment data reflect the dominant role that Redstone Arsenal plays in the economy of the area. In February 1966, about 38,250 civilians had jobs related to activities at the arsenal, accounting for more than half of nonagricultural wage and salary employment.

Job gains are expected to average 3,000 a year during the forecast years, compared with the average yearly gain of 6,600 for the March 1960 - March 1965 period. Additional program starts or extensions at Redstone Arsenal, however, could materially increase prospective employment.

- more -

The study estimates that median annual income, as of February 1, 1966, was \$7,625 for all nonfarm families, after deduction of federal income tax. Estimated after-tax income of nonfarm renter households of two or more persons was \$5,000.

Military-connected and other federal civilian workers and their families accounted for 59 percent of the 173,000 nonfarm population as of February, 1966. They also accounted for 81 percent of population growth since 1960. The non-farm population is expected to increase to 185,500 by February 1, 1968. There were 47,000 nonfarm households in the area as of February 1, 1966. Based on projected gains in population, a gain of 3,500 households is expected by February 1, 1968. Projected gains in population and the number of households could exceed forecast figures, if Redstone Arsenal should have additional program starts or extensions.

Requests for copies of the complete analysis should be directed to William C. Hines, Director, Federal Housing Administration, 2121 Eighth Avenue, North, Birmingham, Alabama 35203.

* * * * *

1/19/67

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